

federal income tax occurring in July 1 of this year with portions going into effect in January. If they fail to act, what would happen and the same question was asked, should the Board of Equalization as composed after January of this year, fail to act, what would happen, and when that issue was raised several of us said we would introduce legislation to affect the change in order to prevent the state from losing revenue that otherwise will be lost during the following eighteen months, from January 1 of '83 through June 30 of '84 and that is the purpose of the introduction of the bill is to adjust that rate. As drafted it does a couple of other things consistent with what was discussed during the Special Session. Number one, it sets the rate at 20% for the calendar year '83 which means that the Board of Equalization, should we appropriate funds over and above what will be projected for receipts, would be prohibited from changing that 20% rate but we said at that time that the 20% rate would be adequate along with the 3.5% sales tax and the bill merely keeps faith with that presumption at that time. There are two provisions under the bill in which the Board of Equalization could adjust the 20% rate. One is it specifically makes it clearer that should receipts be less than 5% of projections at the end of a quarter that the board could meet and adjust the rates to accommodate that or if the receipts were 10% above at the end of any quarter they could again meet to adjust the rates if they thought it was necessary. The other provision which they would then meet is if in the event that Congress or the federal government changes again the federal tax laws that would have an impact on state receipts, either up or down, either an increase or a decrease, then the board again would be authorized to meet and adjust the rates to accommodate that change. I would hope that the body in keeping with the commitment that many of us made would advance the bill as it was introduced along with the emergency clause which should have been included in the original draft. There are arguments to be made and they were presented at the public hearing and the committee note indicating those occurring in a neutral capacity, expressing some concerns about the impact of adjusting the rates on some segments of the state because of the basic law that we have. I, too, shared that concern and for that reason had introduced LB 27 which was heard the same day in which I thought that issue could or should be addressed. I only bring this up because I do not intend to support at this point amendments to the basic law to be tacked onto LB 59. I think it should remain a very clean, clear bill dealing only with the rate change. By the same token those who believe that there are basic inequities in the law, that I would hope would come out of the Revenue Committee to be addressed on that basis alone. I do not think that we should adjust the rates by the Legislature